

The Case of the Charitable Corporation.



THE Charitable Corporation was first erected by Her late MAJESTY QUEEN ANNE, with a Power to raise a Stock for lending Money at Legal Interest, and a reasonable Allowance for Charges; also a Power to augment their Stock by Licence from the Crown.

THEY received an Addition to their Capital by the Licence of His late MAJESTY, and a further Addition by His present MAJESTY; so that it has past thrice under the Consideration, and as often receiv'd the Sanction and Approbation of the Crown.

THE Corporation was at first neglected; but in the Year 1724, several Gentlemen of Fortune and Character joyn'd to set the Business on Foot. They settled a Method of carrying it on, the most beneficial to the Publick, that they could invent, which it has ever since continued.

A Court of DIRECTORS is annually chosen, but without any Salary or Reward for their Service.

A Cashier, Warehouse-Keepers, and Accountants are provided, who are oblig'd by Security to the due Execution of their respective Trusts.

THE Terms of the Loans are settled so, as to answer the Purposes of the meaner as well as of the better Sort of Borrowers. They lend the former as low as one Shilling, and the latter any reasonable Sum required.

THE Pledges are at the Time of lending valued as near the real Worth as can be, and no more than two Thirds of the Value lent; unless sometimes in the Case of Plate, where the Value being capable of a greater Certainty, Money is lent nearer the full Worth, exclusive of the Fashion.

INTEREST is to be paid after the Rate of 5 per cent. per Ann. and a further Sum of 5 per cent. per Ann. as a Consideration for the Charges, Insurance, &c. which is the Whole that is paid; and the same Proportion is observed in the minutest, as well as in the greatest Sums lent.

AT the Time of lending, the Pledge is deliver'd with a Bill of Sale to the Corporation, expressing the Sum lent; and a *Deferazance* that secures in the strongest Manner the Right of Redemption, is given to the Borrower.

EVERY Debt may be paid, and the Pledge demanded at an Hour's Warning; and the Interest and Charges computed to the Day of the Redemption; and this, whether the Pledge be taken for a certain Time, or not.

THE Debtor has the constant Liberty of showing his Goods to any Person when he pleases, wholly, or in Part; and may sell them at the Corporation's Warehouse as well as in his own Shop; and deliver them the Moment he has sold them, on paying a Proportion of the Debt.

IF the Debtor neglects to redeem, the Pledge is not sold till a Year after; unless the Goods are perishable; nor then, till sufficient Notice given of that Intention.

WHEN they are to be sold, it is done at a publick Auction; where the Market Price is most likely to be kept up by the Openness of the Sale, and the publick Invitation to all Buyers.

THE Charges of the Sale are small, and made less by Half to the Debtor than they really are to the Corporation.

TWO of the DIRECTORS and the chief Officers are present at every Sale, to see it be equally manag'd. There is no Possibility of Unfairness in it; the Owner himself may be present, and a Buyer if he thinks fit; and by the constant Terms of the Sale, has a Month's Time to take away the Goods and pay the Money.

EVERY Transaction of the Sale, as well as the Original Contract, the Bill of Sale, the Nature and Particulars of the Goods, are entered in the Books of the Corporation, which are kept as perpetual Records of what is done.

WHEN the Sale is over, and the Goods taken away by the Buyer, the Account is made up between the Corporation and the Debtor; and the Overplus is restor'd to the Debtor.

THIS is the constant Method the Corporation takes in the Management of their Loans; and 'tis very obvious what great Care is taken to prevent any Possibility of Injury to the Borrower, and how much such an Establishment must tend to enlarge the Credit of a Trading Nation, and consequently its Trading Stock.

THAT there is a constant Occasion for Credit, especially in a Trading Country, no one that is the most negligent Observer of Mankind can doubt. This is necessary, even among those whose Fortunes set them above the ordinary Methods of gaining a Livelihood. The frequent Pawns of Jewels, Plate, and other valuable Moveables shew this plainly. But the Demands for it are much greater among the Trading Part of the People, even of the first Class; among whom the frequent Accidents and Casualties of Trade, often call for an immediate Supply, which may prove of Importance to their Credit.

AMONG the inferior Class of Traders, the Demands of this Kind are still more frequent; and as to those who live by their own immediate Labour; the least Interruption by Sickness or other Accidents, puts a Stop to their Daily Bread, unless they can live by Credit till their future Labour supplies them with Money to pay the Debt.

THIS Condition of Mankind gives an Opportunity to Pawn-Brokers, and Money-Jobbers, to take Advantage of the Necessities of People, by private clandestine Contracts, to make them pay extravagant Premiums for the Credit they give.

IN the Way of Pawn-Brokers, the Interest is never less than 20 per cent upon the largest Sums; never less, but often more than 30 per cent. on the smaller.

THE Pledge is besides in unsafe Hands, from the mean Substance and Characters of the Pawn-Brokers, and from the Want of Evidence of the Pledge, if by the Death or Knavery of the Pawn-Broker it becomes a Dispute. The Fear of the Law preventing the giving any Acknowledgment of it, the Whole is transacted as a Matter of Trust, and the Honesty of the Pawn-Broker the only Security. If the Goods are not redeemed in Time, and a Sale made, the Overplus Value is never accounted for.

TO prevent the necessitous from falling into such Hands, the publick Lumber Houses in Holland, Italy, and other Foreign Parts, were erected for the Loan of Money, upon Goods. That the Credit of that Kind might be under a publick Direction, and the taking Advantage of the Necessities of People might be prevented. These are accounted almost sacred in those Parts, and encouraged as a Matter of publick Concern.

As it is easy to observe how all the Inconveniencies of Pawn-Brokers are avoided, in the Management of the *Charitable Corporation*, it might be expected, that an Undertaking of this Kind, calculated manifestly for the *Interest of Trade*; supporting and increasing *Credit*, and preventing *Extortion and Oppression*, should meet with the good Will, if not the Encouragement of the Publick; and it has so in a great Measure.

There are however some, whose *Interest*, or Misapprehension of the Nature of the *Corporation* and their Conduct, have made them very industrious in raising Clamours against it: They have endavoured to represent it as an Encourager of Thieves, Pick-pockets, Bankrupts; as tending to the Ruin of Trade, and the honest and industrious Shop-Keepers; as an unjust Extortion on their Fellow-Subjects, and as a Combination for a Monopoly.

These are Charges made as easily as Words are spoke; but every *unprejudic'd* Person that thinks it material to concern himself in this Matter, will consider, whether the Charge is made good or not; or is a meer Calumny invented and propogated for *private Ends*.

To assist these, it is necessary to examine every Objection that has been made against it, distinctly.

Obj. 1. It is said, that the *Corporation* by affording an easy Method of raising Money upon Goods, furnishes the Thief and Pick-Pocket with a better Opportunity of selling their stolen Goods; and enables an intended Bankrupt to dispose of the Goods which he buys on Credit, for ready Money, and defraud his Creditors.

Ans. In answer to this, 'tis remarkable, that the very Objection admits that the *Corporation* offers in effect a new Fund of Credit to the Publick, by giving it on easier Terms; the Objection arises from the possible Abuse of it. The Necessities of Trade then, may be better supply'd this Way, than in any other; and the honest *industrious Trader* or *Manufacturer* obtain Credit at less Expence. This is a manifest Benefit to the Publick; and to reject it, because it may be made Use of by the dishonest to serve a bad Purpose, would be to furnish an Argument against almost every Blessing of Life, which in the Hands of bad Men may be an Instrument of Mischief. But in Reality it is not likely to be made an ill Use of; tho' 'tis an easy Method of raising Money, it is the *least* so to those who intend a Fraud. The Contracts must be transacted with a *Publick Officer*; the Terms, the Particulars of the Goods, the Names and Places of Abode of the Borrowers, are all entred down in Books, and the Goods themselves at last, if not redeem'd fold at a *publick Auction*, where the true Owner, (if stolen Goods,) will have the best Chance of finding his own, and the *Corporation* runs the Hazard of the Discovery. And in the Case of an actual or intended Bankrupt, the Fraud will be the easiest detected.

These Sort of Persons, never want others to take off their Goods; there are Buyers of Pennyworths, and *Private Lenders* who are always ready to purchase at *Under-Rates*, or lend at extravagant *Premiums*; without enquiring nicely, into either the Intention or the Property of the Person who produces the Goods. In this Way, the Transaction is for ever a *Secret*, and hardly possible to be discover'd, while it is the Interest both of the Seller and the Buyer to conceal it.

There can be no Possibility of an Understanding between the Thief or Bankrupt, and the *Corporation*; as there often is betwixt them and the Pawn-Broker. Nor is it easy to imagine, that Persons intending a Fraud, would apply to a *publick Office*, where Notice will be probably *first* given of the Loss of such Goods. Or if by Accident, the Goods should happen to come into their Hands; at the worst, they are always forthcoming, and the *Overplus* Value at least secur'd for the Owner or his Creditors.

But the Objection is not justify'd by Experience; there never were any stolen Goods pledged to the *Corporation* as they can yet discover; and during their whole Transactions, in which considerably *above a Million* hath been negotiated; the most that ever has been left in their Hands, by Persons becoming Bankrupts, does not amount to 6000 *l*; and there is not the least Reason to judge, that if these had not pawn'd them to the *Corporation*, their Creditors had been a Penny the better for it.

Obj. 2. ANOTHER Objection, that is sometimes made in the same Breath with the former, is, that the Terms insisted on by the *Corporation* (amounting in the whole to 10 per cent.) are hard and unreasonable, tho' how this is reconcilable to the former Objection is not easy to be apprehended.

Ans. FIVE per cent. is what they would be entitled to by Law, for the Use of their Money only, without the Labour, Expence, and Hazard that attends them; and when 'tis considered what Charges they are at for *Ware-Houses*, *Servants*, *Publick Offices*; and what Hazard they run by *Fire* and otherwise, and the constant Stock of Money they must keep up to answer the Demands, it will hardly be thought, that the remaining 5 per cent. is more than a reasonable Consideration for them. It is certain, some Consideration beyond the *Interest*, was intended them by the *Charter*; and the Opinions of the most eminent Council have concurred in justifying this as a *reasonable* one. It is further urged, that as the Capital was small in the Beginning, and the Charges very considerable; by which Means the Proprietors for near two Years received no Interest for their Money advanced; less than what has been taken could not be expected. However, since the Enlargement of their Fund, the Company have had it under Consideration to reduce the Charges, in a manner suitable to the Nature of the respective Pledges.

Obj. 3. To strengthen this Objection it hath been added, that the Merchant or Trader, who means honestly can never afford to pay the Expence of such a Credit.

Ans. It is not material to enquire, how far the ordinary Gains of Traders, (which are very various, according to the Nature of the Trade,) can enable them to give 10 per cent. for Money; the Objection mistakes the Nature of the *Loans* in question; which are not intended or used for long Credit, and to supply a *general Stock* to Trade with but to answer the frequent Demands that all Sorts of People in the Way of Business have for a present Supply.

A Merchant, (suppose) has *Foreign Bills* upon him that are become due; he has no ready Money, tho' he expects it in a short Time from other Funds. If he has it not *immediately*, the Bills are protested, and his Credit gone. Another is threaten'd with an *Arrest* for Debt, which he can't immediately pay out of his own Money; neither of them hath personal Credit enough to raise the Money; they must have it therefore at any Rate, and the obtaining it for a Month or two may save them.

That these and Multitudes of other Cases happen frequently, and must do so as long as there is Trade, and that subject to Accidents, no one can doubt; and that it may be worth while for the Merchant, or Trader to pay 8 s. 4 d. for the Use of 100 *l*. for a Month, and so in Proportion for 2 Months, or a larger Sum, is evident at first Sight to any one who has the least Notion of Business; without supposing any ill Design in the Borrower. It is indeed nothing in Comparison to the Loss of Credit, or the Charge of the Law in suffering a Prosecution for the Want of it.

But it frequently happens, that there is an immediate Gain by such a Credit; where the Discount for prompt Payment of *Duty* to the Crown, or at *India* or other Sales, considerably exceeds the 10 per cent. paid for that Credit.

In the Case of *Handicraftsmen* and *Labourers*, it is still more necessary; for the whole Fund for supplying themselves and their Families with the Necessaries of Life is the daily Labour of their Hands. If a Stop is put to that Labour, they must live upon Credit or starve. If their Credit is from the Butcher, the Chandler, the Baker, the Price of their Provisions will be increas'd, and the Charges of a Loan from this *Corporation* of 10 s. for a Week (which will be but a Farthing,) will be lost in the Purchase of a single Pound of Beef upon Credit.

If 'tis supposed, that there is personal Credit enough to supply the Demands for Money at a common Interest, the Gentlemen who are so zealous to oppose the *Corporation*, need be under no Concern; the *Corporation* must fall of

of it self; for no Man in his Senses will give 10 l. where 5 will do. If therefore, there are such Persons who have not *Personal Credit*, 'tis for the Benefit of the Publick that they should be supply'd; unless it can be imagin'd, that all such as in the ordinary *Accidents* of Trade and Business, happen sometimes to want Money for a present Emergency, must be ruin'd and abandon'd for ever as *useless* Members of the Society. If they should have Credit, 'tis a Benefit to the Publick to offer it them upon an easier Foot than they could otherwise have it from the *Pawn-Broker, Usurer, and Buyers of Pennyworths*. Nor can it be said, that a Man, who in the Course of Trade, has sometimes Occasion to give 10 s. for the borrowing of 100 l. must therefore be ruin'd by the Exorbitancy of this *Premium*.

Object. 4. 'Tis us'd as another Objection, that this easy Access to Money, encourages Persons to *over-trade*; and by that Means ruin themselves and their Creditors.

Ans. THAT this encourages Persons to go on with their Trade, by preventing the Accidents they meet with from being *fatal*, is readily admitted; and is itself the *greatest Argument* for the Corporation; as it lets and keeps a Multitude of Hands at *Work*, and prevents the *Loss* of any of that Labour which is the *real Riches* of a Nation. But as to *over-trading*, it can have no Tendency that Way; because, the Corporation doth not, nor from the Nature of it can it supply a Stock to trade with; since a *greater Stock* is pledg'd, than can be obtain'd by the Money that is lent upon it.

Object. 5. 'Tis again objected, that frequent publick Sales of the Goods that are pledged to the Corporation, is an Injury to the Shop-Keepers about London and Westminster.

Ans. THE *Fact* is not true, that the Corporation have frequent Sales; they have but twice a Year; and the Quantities sold but small. For in the whole Compass of their Dealing, in which they have negotiated so considerable a Sum of Money as beforementioned; the Goods they have sold have not amounted to above 30000 l. which divided among the several Years past, since they commenc'd this Sort of Dealing, will amount to a Trifle annually, in Comparison of the Trade of these Cities.

THE Sales are likewise of various Sorts of Goods; which when distributed among the various Traders that deal in them, will appear to be almost nothing to the Quantities of each Sort which are annually sold in these Cities; the Truth is, 'tis rather an Advantage to the Shop-Keepers, than the contrary.

THE Goods are put in Parcels or Lots; not calculated to answer the Wants of particular Persons but of Traders in those Commodities. Nor is it possible that any thing can be sold much under the common Rate, where the Sale is publick and open; or if it be, the Shop-Keepers and Traders (who are almost the only Persons that attend these Sales,) will have the Benefit of it.

NOR can this Objection have any Appearance of Weight in it, when 'tis considered what a Number of Publick Auctions and Sales are held almost every Day, within the Cities of London and Westminster, without any Complaint of this Kind.

Object. 6. THE only remaining Objection that has been met with, is, that the MANAGERS, and Officers of the Corporation, by purchasing at publick Sales, or by undue Practices, force the Debtor into a private Sale, to his Prejudice; and thereby enable themselves to trade in such Commodities with greater Advantage, than other Merchants either at home or abroad.

Ans. THERE is no Instance that has been hitherto given, or can be pretended of this Kind; nor is it possible there ever can be, from the Nature of these Sales, which are publick; the various Mixture of Goods sold, and the particular Care taken by the Corporation to prevent it.

THE Officers give large Securities, and the MANAGERS by publick Resolution have bound themselves, neither directly nor indirectly, to purchase; or be any Ways interested, or concerned in the Purchase of Goods pledg'd to the Corporation.

THESE are all the Objections that have occurred; and let any indifferent Person judge between the Corporation and its Enemies.

THE Scheme of the Corporation is fram'd to supply that Credit, which must necessarily be given, (or worse Consequences ensue) upon easier Terms than were ever yet offer'd. It injures no Man's Property; compels no One to his Prejudice, but greatly promotes and encourages Trade; prevents the Ruin of Multitudes; and by the Contribution of Gentlemen and others, brings into Trade and Commerce a large Stock of Money, that would otherwise be kept out of it.

THE Bank, the Goldsmith, the Lenders at Common Interest, cannot possibly be prejudiced by it. Persons whom they would trust, would never come to the Corporation and pay a greater Rate.

THERE are indeed, some Sort of Persons, whose Interest, it must be admitted, are affected by it: The Pawn-Broker, the Money-Broker, or Jobbers; and those who are always at Hand to buy Pennyworths. The former lend generally at the Interest of 30 per Cent. They may possibly complain of the Loss they suffer, but the Publick will hardly think themselves bound to join in the Complaint.

THE Money-Brokers are employ'd in procuring Credit for the necessitous in their Way of Dealing, neither the Premium nor Brokeage is fix'd at any certain Rate; but left to be adjusted according to the Necessities of the Borrower; and it's easy to see, that 5 per Cent. per Ann. (demanded by this Corporation for Charges) is quickly swallowed up between the Lender and his Broker, especially when the Loan is but for a short Time, as is the Common Case.

THE Buyers of good Bargains, are always watching for the Distresses of their Neighbours; who, when in Want of Money, and without other Credit, must sell their Goods at any Rate; and there can never be a Pretence wanting from the bad Condition of the Goods, their being Second-hand, or an Indisposition to buy, to prevail on the Necessitous to sell for two Thirds, or half the Value.

THESE, and these only, are the Persons that can receive Damage by the Charitable Corporation: And every unbiased Person, must be sensible, 'tis for the Honour of the Corporation that they do so.

UPON the whole, it cannot be deny'd, that there is, and must be, in a Place of so much Trade, a great Demand for this Sort of Credit, that is, furnish'd by the Charitable Corporation; If it is deny'd, the Nature of Trade, the Multitude of Pawn-Brokers, Stock-Jobbers, and the present great Business of the Charitable Corporation demonstrate it. Will it be said that these Demands ought not to be supply'd? It would be Inhumanity; to say so, and contrary to the Common Policy of every Civil Government, which endeavours to preserve and increase Credit as much as possible. It is, besides, impracticable to prevent it; as long as a Man has Effects, he will, he must under Necessities, make Money of them one way or other; and if he can't do it at a reasonable Price, he can never want Persons who will take them of him at an unreasonable One.

WILL it be said, that these Demands should not be supply'd as easily as possible? It is clearly the Interest of Trade that they shou'd be so. The Charitable Corporation is design'd for that Purpose; and if it does in Fact afford his Credit cheaper than ever was known before, it will be hard to convince any thinking Man that this is a good Reason for suppressing it.

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The 2d is the fact that the Corporation have received \$250,000 for the whole amount of their dealing in which they have received 250,000 of money as compensation; the Goods they have sold have not amounted to \$250,000 which divided among the several years and there has commenced the sort of dealing will amount to a little annually in comparison of the Year of their Office.

The Goods are not in the hands of the Government but are in the hands of the various traders and dealers who are engaged in the trade. The Goods are not in the hands of the Government but are in the hands of the various traders and dealers who are engaged in the trade. The Goods are not in the hands of the Government but are in the hands of the various traders and dealers who are engaged in the trade.

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It is on the whole, is cannot be denied, that there is, and must be, in a time of such great crisis, and for the sake of the world, that is, humbled by the terrible calamities which have befallen it, that it is to be hoped, that the people of the world will be able to find in their hearts the strength to resist the temptation that they do so.

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CAS THE Charitable Corporation.

When the letters to the deacons
were read it is ordered by the
congregation that the